

CHAPTER 405
SALVAGE

761—405.1(321) Applicability. This chapter supplements 761—Chapter 400. It applies to salvage motor vehicles and foreign motor vehicles brought into Iowa that are or were salvage, rebuilt or junked. This chapter applies only to motor vehicles subject to registration with a gross vehicle weight rating of less than 30,000 pounds.

761—405.2(321) Definitions.

“Authorized vehicle recycler” means a person licensed under Iowa Code chapter 321H.

“Iowa salvage title” means an Iowa salvage certificate of title.

“Junking certificate” means an Iowa junking certificate, Form 411123.

“New motor vehicle dealer” means a dealer licensed under Iowa Code chapter 322 to sell new motor vehicles.

“Previous owner” as used in Iowa Code section 321.24 means the last titled owner.

“Regular foreign title” means a certificate of title issued by a foreign jurisdiction that allows the vehicle to be driven or moved upon a highway.

“Regular Iowa title” means an Iowa certificate of title that is not a salvage title.

761—405.3(321) Salvage title. The following applies to an Iowa salvage certificate of title.

405.3(1) Face of title. The following shall be stamped in red ink on the face of a salvage title: SALVAGE—CANNOT BE REGISTERED WITHOUT A SALVAGE THEFT EXAMINATION CERTIFICATE OR AN INSURER’S CERTIFICATION.

405.3(2) Assignment.

a. A salvage title may be assigned to:

- (1) An educational institution.
- (2) A new motor vehicle dealer.
- (3) A person engaged in the business of purchasing bodies, parts of bodies, frames or component parts of vehicles for sale as scrap metal.
- (4) A salvage pool.
- (5) An authorized vehicle recycler.

b. Only a new motor vehicle dealer or an authorized vehicle recycler may assign a salvage title to any person.

c. Upon assignment, the transferee shall apply for a new salvage title within 15 days after the date of assignment unless, within this time period, application for a regular title is made or a junking certificate is obtained.

405.3(3) Reassignment. Dealer reassignment of a salvage title is not allowed. The following shall be stamped on the dealer reassignment portion of the title: DEALER REASSIGNMENT NOT AUTHORIZED ON THIS CERTIFICATE OF TITLE.

405.3(4) Registration fees.

a. A salvage title may be obtained without payment of the current registration fees or any delinquent registration fees or registration penalties. If the registration fees are delinquent at the time of issuance of a salvage title, no additional penalty shall accrue after issuance.

b. The previous fees due and the year the vehicle became salvage shall be entered below the “in lieu” field on a salvage title.

c. Any registration fees or registration penalties due at the time of issuance of a salvage title, together with the current registration fees if not already paid, shall be paid upon issuance of a regular title.

However, a dealer is not required to pay current registration fees to obtain a regular title for a vehicle held for resale or trade. See rule 761—400.27(321) for any exceptions.

405.3(5) Plates. Registration plates shall not be assigned when a salvage title is issued.

761—405.4 and 405.5 Reserved.

761—405.6(321) Salvage title required.

405.6(1) Wrecked or salvage vehicle. A vehicle rebuilder or a person engaged in the business of buying, selling, or exchanging vehicles of a type required to be registered in this state upon acquisition of a wrecked or salvage vehicle shall obtain a salvage title or a junking certificate for the vehicle.

a. A wrecked or salvage vehicle is a damaged motor vehicle that:

- (1) Has repair costs exceeding 50 percent of its fair market value before it became damaged, and
- (2) Had a fair market value of \$500 or more before it became damaged.

b. Fair market value is the average retail value found in the “National Automobile Dealers Association (NADA) Official Used Car Guide.” If there is no value available, the office of vehicle registration shall determine the fair market value upon request.

405.6(2) Insurer. An insurer upon acquisition of a motor vehicle as a result of a settlement with the motor vehicle owner arising out of damage to or unrecovered theft of the motor vehicle shall obtain a salvage title for the motor vehicle.

405.6(3) Application. Application for a salvage title shall be made within 15 days after the date of assignment to the transferee.

761—405.7(321) Converting salvage title to regular title.

405.7(1) General application procedure.

a. To obtain a regular title, the owner in whose name the Iowa salvage title is issued or assigned shall pay the appropriate fees and surrender the following when applying for the regular title:

- (1) The salvage title.
- (2) The salvage theft examination certificate, Form 411072, issued in the applicant’s name. See rule 405.15(321) for salvage theft examination.

b. A regular title and registration receipt issued pursuant to this subrule shall bear the designation “prior salvage.”

405.7(2) Insurer’s certification. An insurer who has title pursuant to Iowa Code subsection 321.52(4) may submit an insurer’s certification in lieu of a salvage theft examination certificate.

a. The insurer’s certification shall:

- (1) Include the name and address of the insurance company and the VIN, year and make of the salvage titled vehicle.
- (2) Include a statement by the insurer certifying that the retail cost of repairs for all damages to the vehicle is less than \$3000.
- (3) Be dated and signed by an authorized representative of the insurer.

b. The insurer’s certification is not transferable if the insurer assigns the salvage title to another person.

c. A regular title and registration receipt issued pursuant to this subrule is not required to have a designation of “prior salvage.” However, the title and registration receipt shall bear any designation to be carried forward, as explained in rule 405.10(321).

761—405.8(321) Foreign vehicles.

405.8(1) Definitions. The following definitions apply to foreign titles and the designations shown on them.

“*Junked*” means the vehicle is damaged or dismantled and is prohibited from ever again being driven upon a highway.

“*Rebuilt*” means the vehicle had been designated as salvage but had the designation removed, and the vehicle is permitted to be driven and moved upon a highway. Also, a designation of “salvage” on a regular foreign title means that the vehicle is rebuilt.

“*Salvage*” means the vehicle is damaged and shall not be registered to be driven or moved upon a highway until it is no longer designated as salvage.

405.8(2) *Foreign title with rebuilt designation.* If the prior title for a vehicle is a foreign title indicating that the vehicle was rebuilt, the Iowa title and registration receipt issued from the foreign title shall contain the designation of “rebuilt” together with the two-letter abbreviation of the name of the jurisdiction that issued the foreign title.

EXCEPTION: If the Iowa record indicates that the vehicle was previously titled in Iowa with a designation of “prior salvage,” the prior salvage designation takes precedence and shall be carried forward to the Iowa title and registration receipt.

405.8(3) *Converting foreign salvage title to Iowa title.* If the prior title for a vehicle is a foreign title indicating that the vehicle is salvage, a regular Iowa title shall not be issued for the vehicle unless an Iowa salvage title is first issued. After an Iowa salvage title is issued for the vehicle, a regular Iowa title may be obtained pursuant to rule 405.7(321).

405.8(4) *Salvage titled vehicle leaving and reentering Iowa.* If a vehicle leaves Iowa with an Iowa salvage title and reenters Iowa with a regular foreign title, a regular Iowa title may be issued without a salvage theft examination. The regular Iowa title and registration receipt issued from the foreign title will be designated:

- a. “Prior salvage” if the foreign title does not indicate that the vehicle was rebuilt.
- b. As specified in subrule 405.8(2) if the foreign title indicates that the vehicle was rebuilt.

405.8(5) *Designation carried forward.* If a vehicle leaves Iowa with a regular Iowa title and reenters Iowa with a regular foreign title, the foreign title does not indicate that the vehicle was rebuilt and the Iowa record for the vehicle contains a designation listed in paragraphs 405.10(1) “a” to “d,” that designation shall be carried forward to the Iowa title and registration receipt issued from the foreign title.

405.8(6) *Foreign title with flood, fire, vandalism or theft designation.* If the prior title for a vehicle is a foreign title indicating that the vehicle was damaged by flood, fire or vandalism or is a recovered stolen vehicle and another designation is not required under this rule, the Iowa title issued from the foreign title shall contain, as applicable, the designation of “flood,” “fire,” “vandalism” or “theft.” This designation will also appear on the registration receipt only when there is no requirement to record a cumulative dollar amount from damage disclosure statements.

405.8(7) *Junking certificate.*

- a. An Iowa junking certificate shall be issued if:

- (1) The prior title for a vehicle is a foreign title indicating that the vehicle was junked, regardless of any other designation on the title.
- (2) The Iowa record for a vehicle with a foreign title indicates that the vehicle had previously been issued an Iowa junking certificate.

- b. Notwithstanding rule 405.1(321), this subrule applies to all vehicles subject to Iowa titling laws.

761—405.9(321) Records check. Before a title is issued in Iowa, a computer records check shall be made to determine if the vehicle has an “Iowa record.”

405.9(1) A vehicle has an “Iowa record” if the computer record indicates that the vehicle had been issued an:

- a. Iowa junking certificate on or after July 1, 1988.
- b. Iowa title on or after July 1, 1988, which contained a two-letter abbreviation of the name of a foreign jurisdiction with or without a designation of salvage or rebuilt.
- c. Iowa title on or after September 1, 1988, which contained an Iowa designation of rebuilt.
- d. Iowa salvage title on or after September 1, 1988, which contained an Iowa designation of salvage.
- e. Iowa title on or after July 1, 1992, which contained an Iowa designation of prior salvage.

f. Iowa title on or after December 1, 1994, which contained a designation of “flood,” “fire,” “vandalism” or “theft.”

405.9(2) “Iowa record” refers to the last Iowa document issued.

761—405.10(321) Designations.

405.10(1) The following designations for a vehicle shall be carried forward to all subsequent Iowa titles and registration receipts issued for the vehicle, unless otherwise specified:

a. Prior salvage. This designation supersedes other designations. When a designation of “prior salvage” is required pursuant to rule 405.7(321), it replaces any other designation.

b. Rebuilt together with a two-letter abbreviation of the name of a foreign jurisdiction. When this designation is required pursuant to subrule 405.8(2), it replaces any other designation except a “prior salvage” designation.

c. Rebuilt. This designation supersedes a “flood,” “fire,” “vandalism” or “theft” designation.

d. Two-letter abbreviation of the name of a foreign jurisdiction. This designation supersedes a “flood,” “fire,” “vandalism” or “theft” designation.

e. Flood, fire, vandalism or theft. The most recent designation applies. The designation will appear on the title, but will appear on the registration receipt only when there is no requirement to record a cumulative dollar amount from damage disclosure statements.

405.10(2) An Iowa salvage title will be issued with a designation of “salvage” unless another designation is carried forward.

761—405.11 to 405.14 Reserved.

761—405.15(321) Salvage theft examination. A salvage theft examination may only be conducted on a vehicle with an Iowa salvage title. The vehicle shall not be examined until it has been completely repaired, except for minor body parts such as trim, body marking or paint.

405.15(1) General procedure.

a. A salvage theft examination shall be conducted by a peace officer who has been specially certified, and recertified when required, by the Iowa law enforcement academy to perform salvage theft examinations.

(1) To arrange for a salvage theft examination by an investigator from the department of transportation, the applicant shall contact the local county treasurer’s auto department, the district enforcement office, or the office of motor vehicle enforcement in Des Moines. The Des Moines address is: Office of Motor Vehicle Enforcement, Iowa Department of Transportation, Park Fair Mall, 100 Euclid Avenue, P.O. Box 10382, Des Moines, Iowa 50306-0382; telephone (515)237-3247.

(2) To arrange for a salvage theft examination by any other authorized peace officer, the applicant shall contact the local law enforcement agency for instructions.

b. The owner of the vehicle may obtain a permit to drive the vehicle to and from the examination location by submitting an affidavit of salvage vehicle repairs to the agency performing the examination.

(1) The affidavit shall state that the vehicle is reasonably safe for operation and shall list the parts that have been replaced on the vehicle. The affidavit must be signed by the owner or the owner’s authorized agent.

(2) To be valid, the permit must be signed by an authorized officer of the agency conducting the examination.

c. The owner of the vehicle must be present for the examination or certify, on the affidavit of salvage vehicle repairs, the name of the person who will be representing the owner at the examination.

d. The owner or owner’s representative, when appearing with the vehicle for the examination, shall submit to the peace officer for review the salvage title or a certified copy of the salvage title; the

affidavit of salvage vehicle repairs; and, pursuant to subrules 405.15(3) and 405.15(4), bills of sale for all component parts replaced.

e. A \$30 fee paid by check or money order made payable to the agency conducting the salvage theft examination shall be collected. The agency shall retain \$20 and forward \$10 to the office of motor vehicle enforcement at the Des Moines address. The department shall deposit the \$10 into the funds specified by law.

f. If the vehicle passes the salvage theft examination, the peace officer shall complete a salvage theft examination certificate, Form 411072. The form shall be distributed as follows:

(1) The white copy shall be mailed with the \$10 to the office of motor vehicle enforcement at the Des Moines address.

(2) The canary copy shall be given to the owner or the owner's representative. This copy must be surrendered when applying for title.

(3) The pink copy shall be retained by the examining officer for three years for verification purposes.

g. Reserved.

h. The peace officer shall return the salvage title or the certified copy of the salvage title, the affidavit of salvage vehicle repairs, and the bills of sale to the owner or the owner's representative.

405.15(2) *Permit and salvage theft examination certificate.*

a. The permit and salvage theft examination certificate shall be controlled forms furnished by the department.

b. The owner of the vehicle may obtain a duplicate copy of the salvage theft examination certificate upon written request and payment of a \$10 fee to the office of motor vehicle enforcement at the Des Moines address.

c. The salvage theft examination certificate is not transferable.

405.15(3) *Bill of sale.* A bill of sale is a document from the seller to the buyer containing the name, address and telephone number of the seller, a description and identification number of the component part and, if applicable, the vehicle identification number (VIN) of the vehicle from which it was removed.

405.15(4) *Component part.* For salvage theft examinations, the definition of component part as found in Iowa Code section 321.1 shall apply.

These rules are intended to implement Iowa Code sections 321.24 and 321.52.

[Filed emergency 6/22/88—published 7/13/88, effective 7/1/88]

[Filed 10/10/88, Notice 7/13/88—published 11/2/88, effective 12/7/88]

[Filed emergency 11/30/89—published 12/27/89, effective 12/1/89]

[Filed 1/15/92, Notice 12/11/91—published 2/5/92, effective 3/11/92]

[Filed emergency 3/26/92—published 4/15/92, effective 4/29/92]

[Filed 1/14/93, Notice 12/9/92—published 2/3/93, effective 3/10/93]

[Filed 11/29/95, Notice 10/25/95—published 12/20/95, effective 1/24/96]

CHAPTERS 406 to 409

Reserved